

## **EXHIBIT 3**

**Thacher  
Proffitt**

Thacher Proffitt & Wood LLP  
Two World Financial Center  
New York, NY 10281  
212.912.7400

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www.tpw.com

April 26, 2007

BY FEDERAL EXPRESS AND CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. John Ashton  
Innovative Mortgage Capital LLC  
121 Innovation Drive, Suite 120  
Irvine, California 92617

Re: Master Mortgage Loan Purchase and Interim Servicing Agreement  
dated as of October 1, 2005 between DB Structured Products, Inc.  
and Innovative Mortgage Capital LLC (“Innovative”)

Dear Mr. Ashton:

Our firm has been retained as litigation counsel by DB Structured Products, Inc. (“DBSP”) in connection with the Master Mortgage Loan Purchase and Interim Servicing Agreement dated as of October 1, 2005 (“Agreement”) between DBSP and Innovative, and in connection with certain letter agreements between DBSP and Innovative (the “Commitment Letters”, and together with the Agreement, the “Agreements”). Capitalized terms used herein and not defined have the meanings set forth in the Agreements.

DBSP hereby demands immediate payment of the amount of \$786,332.65 (the “Repurchase Price”) which is due and owing to DBSP by Innovative in connection with Innovative’s obligation to repurchase the mortgage loans listed on Exhibit A attached hereto (the “Mortgage Loans”) pursuant to the Agreements. The Mortgage Loans are in early payment default, as specifically set forth in the Commitment Letters.

Please remit the Repurchase Price by wire transfer to the following bank account no later than May 10, 2007:

Bank:	Bank of New York
ABA:	021000018
Acct. #:	GLA/111569
Acct. Name:	DPX
Attn.:	Ken Glover
Re:	Innovative Repurchase

April 26, 2007

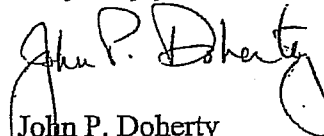
Page 2.

If you fail to remit the Repurchase Price by that date, please be advised that DBSP will commence formal legal action against Innovative to recover the amounts owed without further notice.

Nothing contained in this letter shall constitute a waiver of any of DBSP's rights or remedies under the Agreements, at law or in equity. Nor shall this letter be construed as a waiver of any Event of Default by Innovative under the Agreements.

Please call me or Steven Paolini, Esq., Vice President and Counsel, Deutsche Bank AG, at (212) 250-0382 should you have any questions or wish to discuss this matter.

Very truly yours,



John P. Doherty

cc: Steven Paolini, Esq.  
Mortgage Loan Specialists, Inc.  
514 Via De La Valle, Suite 202  
Solana Beach, CA 92075

Encl.

**Exhibit A: Innovative Repurchase Schedule**  
Settlement 04/19/07

Unpaid Principal Balance	710,500.00
at Price	718,297.88
Advance	2,425.67
Accrued Interest	67,609.30
Unpaid Settlement due DD	786,332.65

Repartitionnement des DD 786 332.65

Loan Number	Loan To	Name	UPB to 02/22/2007	YTD to 02/22/2007	Closing	Net Rate	BDY	Accrued	Accrued Int	Advances	Price %	Preced.	Pending	Per Plan Int	
610628	11155080	GUTIERREZ, RICARDO	\$ 550,000.00	01/01/06	04/18/07	8.980%	488	\$ 62,628.20	\$	-	100.8160%	\$ 584,732.80	\$ 587,352.00	01/28/06	\$ 112.46
6120119	111555108	REED, RONNIE	\$ 130,500.00	01/01/06	04/18/07	8.930%	488	\$ 14,980.10	\$	2,425.67	100.8160%	\$ 131,654.88	\$ 148,970.65	01/28/06	\$ 32.01
			\$ 710,500.00					\$ 67,608.30	\$						

**Deutsche Bank Wire Instructions:**

Bank: Bank of New York  
ABA#: 021-000-018  
Acct #: GLA 111569  
Beneficiary: DPX  
Alin: Kenneth Glover  
Ref: Innovative repurchase

Bank of New York  
021-000-018  
GLA 111559  
DPX  
Kenneth Glover  
Innovative repurchase